IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CRIMINAL MISC.NO.35918 M OF 2005

DATE OF DECISION: JULY 25, 2007

T.K.Bannerjee and others

.....Petitioners

VERSUS

State of Haryana and another

....Respondents

CORAM:- HON'BLE MR.JUSTICE RANJIT SINGH

1. **Whether Reporters of local papers may be allowed to see the judgement?**
2. **To be referred to the Reporters or not?**
3. **Whether the judgment should be reported in the Digest?**

PRESENT: Ms. Munisha Gandhi, Advocate,
for the petitioners.

Mr. S. K. Hooda, DAG, Haryana,
for respondent No.1.

Mr. J. S. Bedi, Advocate,
for respondent No.2.

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RANJIT SINGH, J.

The petitioners, who are working in various capacities in M/s Haier Appliance India Private Limited are accused of offence under Sections 420, 406, 34 IPC on the basis of an FIR No.7 dated 25.5.2005 registered with Special Vigilance Bureau, Rohtak, Haryana. They have filed this petition, seeking quashing of the said FIR on various counts.

The facts, in brief, are that Satish Kumar, proprietor of M/s Shree Om Agencies (respondent No.2) was appointed as a Distributor of the Company

at Rohtak, Haryana and advance deposit of Rs.7 lacs was received from respondent No.2 for the goods to be supplied to him. Electric items like T.Vs, refrigerators etc. were accordingly supplied to respondent No.2 from time to time. The receipt of the goods were duly acknowledged. The account in regard to the supply and receipt of the goods was maintained as a running ledger account. As per the invoices and ledger entries, it is claimed that neither there was outstanding dues recoverable from respondent No.2 nor was there any amount due towards him. The petitioners, however, received a legal notice from respondent No.2, alleging that the petitioner Company had despatched certain goods either in defective or unserviceable condition and that these had been received back by respondent No.2 from the distributors appointed by him. On the basis of this allegation, the FIR against the petitioners was lodged. Claiming this to be an abuse of the process of the Court, the present petition is filed seeking quashing of the said FIR on the ground that it would not reveal any criminal liability for offences under the Sections as alleged.

Upon notice being issued, the respondents have filed their separate replies. After contesting the case for some time, the parties sat together and have agreed to resolve their disputes and differences. The case was adjourned on a few occasions as the matter was being compromised. Ultimately, a statement was made on behalf of the parties that they have amicably settled the issue. A compromise/settlement reached between the parties was ultimately reduced into writing. The same has been placed on record as Annexure P-7. The counsel appearing for respondent No.2 has

agreed that the parties have reached a compromise and the terms thereof are contained in Annexure P-7 produced on record by the petitioners.

Having given the background of the case and the fact that the petitioners had approached this Court for quashing of the FIR, the terms of the compromise/settlement are mentioned. As per agreed terms, the first party i.e. the petitioners have agreed to accept the defective items mentioned in Para 1 of the compromise deed. The net costs of these items is Rs.1,24,900/-. The second party i.e. respondent No.2 has agreed to pay a sum of Rs.5,50,000/- vide draft No.692011 dated 3.3.2007 as a full and final settlement of the claim of the first party as the cost of items supplied. The first party, on its part, has agreed to give up all its claim/rights even the one raised by dealers of the second party. It has further been agreed that both the parties had appointed number of dealers, as listed in Para 4 of the agreement. It is agreed that first party would have no concern with those dealers, who have been appointed by second party. There are various other terms of the agreement also which the parties have agreed to abide.

Since the parties have amicably settled the dispute and differences, no purpose is going to be served in allowing these proceedings to continue. Rather, it will only lead to wastage of time of the Court. It is otherwise seen that the dispute between the parties basically appears to be a civil dispute. The amount due from each other has been settled and paid by the parties. The trial, even if allowed to continue, would be an exercise in futility. Though the offences are non-compoundable/compoundable with the permission

of the Court, yet having regard to the peculiar facts that allegation basically arise out of business dealing and thus a dispute of civil in nature, the criminal proceedings can be quashed on the basis of compromise. This Court would have power to quash proceedings on the basis of compromise in exercise of its inherent power under Section 482 Cr.P.C. Even in the case of Dharambir Vs. State of Haryana, 2005 (3) RCR (Criminal) 426 (Full Bench), the Court has observed as under:-

> "12.....The balance in each case will have to be struck to ensure that complete justice is done between the parties and for achieving this, each individual case will have to be scrutinised to find out whether it attracts any of the provisions incorporated in Section 482 of the Code to impel the Court to grant relief to a party either in the exercise of the aforesaid power or under Article 226 of the Constitution. Therefore, we would not like to launch an exercise for determining the scope of judicial intervention as provided under Section 482 of the Code in view of the terms "abuse of the process of law" and "in the interest of justice", as it would not be proper for us to provide a straightjacket formula for chennelising judicial responses to the facts and the circumstances of a given case. It would be more appropriate that the interpretation of these terms is left open to the response of an Hon'ble Judge to the facts and circumstances of a given case, as and when this Court is called upon to intervene in any matter for preventing the abuse of the process of law and

advancing the ends of justice."

Accordingly, the present petition is allowed. FIR No.7 dated 25.5.2005 under Sections 420, 406, 34 IPC registered at Special Vigilance Bureau, Rohtak, alongwith all consequential proceedings is quashed.

July 25, 2007 **(RANJIT SINGH)**
khurmi **JUDGE**